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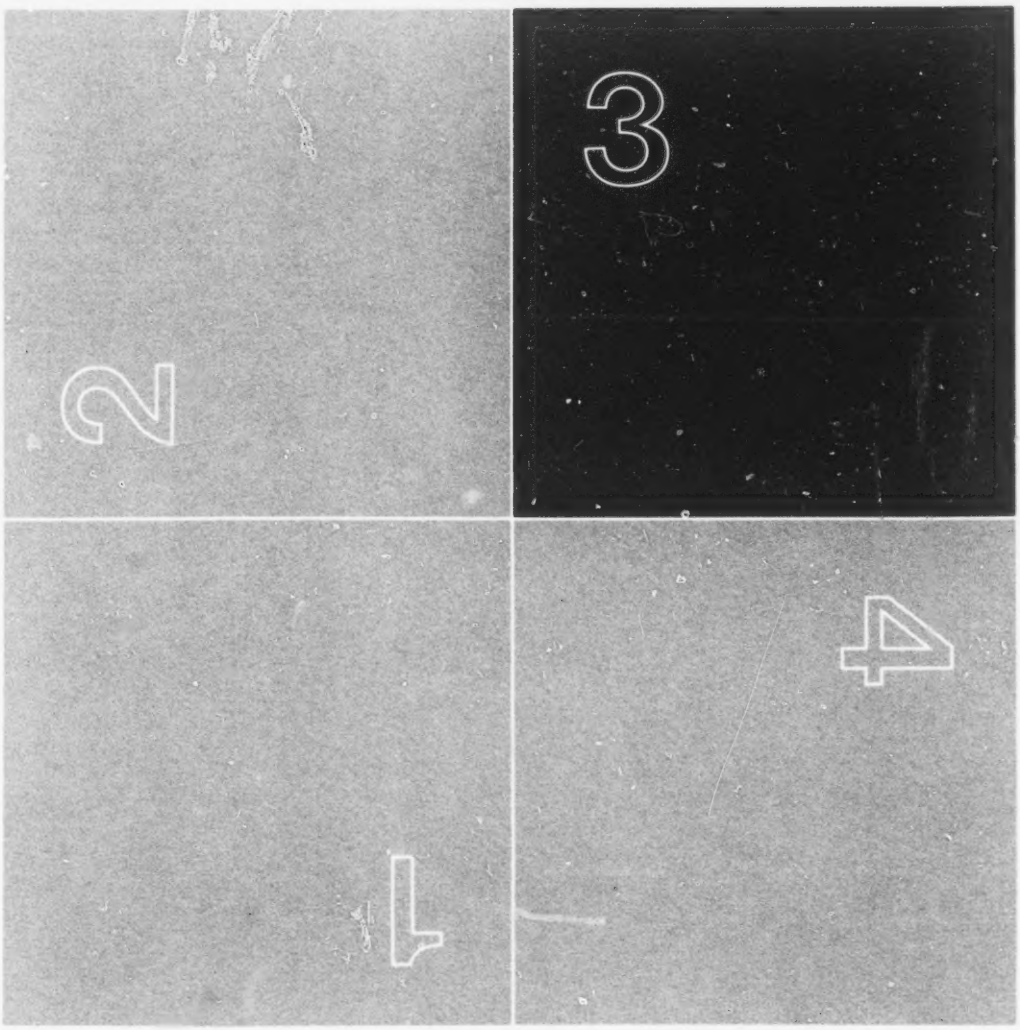
U.S. Travel Data Center

1979 Quarterly Travel Trends



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1979 QUARTERLY TRAVEL TRENDS

THIRD QUARTER

United States Travel Data Center
Washington, D.C.

Price: Ten Dollars

The United States Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is financed through publication sales, membership dues and contract research. It is located in Suite 610, 1899 L Street, N.W., Washington, D.C. 20036.

Earl E. Ditmars, Chairman

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INTRODUCTION

This report summarizes emerging travel and travel-related trends for the third quarter of 1979. The report is arranged in nine sections covering travel industry receipts, travel prices, travel volume, petroleum supplies, attendance at U.S. parks and attractions, travel employment, travel industry profits, U.S. travel to foreign destinations, and foreign travel to U.S. destinations. Tables and analysis are included in each section.

This is the third in a series of quarterly reports on the nation's travel trends to be published by the Data Center. The series has been designed to provide the travel industry with timely information on relevant economic characteristics, on a regular continuing basis.

The tables and narrative that follow attempt to place travel industry developments during 1979 in the perspective of past experience. The data are derived from the best available national travel statistics published by the federal government and respected private organizations. The actual tables and analyses were developed by the U.S. Travel Data Center.

Travel in this report is defined as activities associated with trips out of the home community, except for commuting to work. In some cases, the statistics presented include effects generated by local activity rather than intercity travel, and it is not possible at this time to remove these elements. The information presented here relates only the U.S. domestic travel unless otherwise indicated.

Ronald S. Riggins, Economist for the U.S. Travel Data Center, was project manager for this report.

Copies of Quarterly Travel Trends for the first and second quarters of 1979 are currently available from the U.S. Travel Data Center, 1899 L Street, N.W., Washington, D.C. 20036. The cost is $10.00 each.

SUMMARY

The third quarter of 1979 was a poor one for the U.S. travel industry. Petroleum-based price inflation and inadequate supplies of motor gasoline produced a decline in travel volume, slower employment growth and an unfavorable profit picture. Foreign arrivals from abroad, however, continued to expand at a rapid rate, producing the first favorable tourist balance in the postwar period.

Travel prices for the third quarter soared more than 13 percent over the previous year, paced by gasoline prices up nearly 30 percent. Inflation boosted the travel industry's dollar receipts considerably, masking a decline in real receipts adjusted for inflation.

The nation's air, bus and rail carriers opposed this trend and posted significant real gains in traffic volume. However, intercity automobile travel fell far more than common carriers' capacity to expand, and overall passenger-miles were down 16 billion below year-earlier levels. The nation's parks and attractions particularly suffered.

It is clear that motor gasoline bore the lion's share of the reduction in petroleum product supplies during the third quarter. In fact, the drop in gasoline supplies from 1978's third quarter accounted for 85 percent of the total decline in petroleum products.

Despite generally unfavorable demand conditions, travel industry employment continued to expand, outpacing total U.S. employment during the third quarter. However, eating and drinking places, traditionally the primary contributor to travel industry employment gains, showed weakened growth, while gasoline service station employment fell dramatically.

While U.S. company profits showed about the same strength during the third quarter as one year earlier, travel industry showings were poor. Airline profits actually declined 74 percent from earlier levels.

Inbound travel from abroad was a bright spot in the travel industry picture. Arrivals from overseas countries were up more than one-half million in the third quarter, producing a net inflow of 355 thousand over U.S. departures for overseas destinations. The balance of traffic between the U.S. and Canada continued to deteriorate, however, despite a substantial decline in U.S. travel to Canada during 1979's third quarter.

The following sections detail the trends in U.S. travel and the travel industry during the third quarter (July, August, September), 1979. Comparisons are made primarily with the comparable period in earlier years to place current trends in proper perspective. The tables in Appendix A provide the basic data for all the analysis in this volume.

TRAVEL INDUSTRY RECEIPTS

Demand for travel transportation goods and services, as measured by the dollar receipts of travel industry firms, grew 13 percent during the third quarter of 1979, significantly more than the third quarter, 1978, increase of nearly 9 percent.

Amtrak continued the pattern established earlier in the year by showing the largest percent increase in receipts in the third quarter of all travel sectors. As Table 1 indicates, dollar receipts of Amtrak rose 42.0, up from the 5.3 percent decline posted one year earlier.

In response to higher gasoline prices, gasoline service station receipts jumped 24.7 percent, up from the moderate 3.9 percent rise in 1978's third period. This is remarkable in light of the fact that gasoline consumption declined more than eight percent, and illustrates dramatically the effects of rising gasoline prices.

Receipts of the air transportation industry, up 17.1 percent, showed a slight increase over the growth rate posted in 1978's third quarter. Receipts of eating and drinking places indicated slower growth in this year's third quarter.

The dollar receipt figures include the impact of higher prices as well as changes in real output. Adjusting dollar receipts for inflation during the third quarter period of 1979, 1978 and 1977 indicates that most travel industry sectors are showing less growth in output this year than last. As Table 1 indicates, overall real receipts of travel-related businesses actually fell 6 percent in the third quarter, down from the 1.1 percent rise in 1978's third quarter.

Amtrak showed a substantial increase in the rate of growth in real receipts in the third quarter. Air transportation indicated a moderate increase in real output, down from the level set the previous year. On the other hand, gasoline service stations, hotel, motels and other lodging places, eating and drinking places, and amusement and receration services showed net losses in receipts from the third quarter, 1978.

Gasoline service stations showed greatest decline in real output, down 14.5 percent in 1979's third quarter from the previous year. In fact, third quarter gasoline service station real receipts dropped 5.8 percent from the second quarter level, suggesting that travelers bought less gasoline in response to the unavailability of gasoline and escalating petroleum prices.

Overall, the travel industry grew at a faster rate than the nation's Gross National Product (GNP) in terms of current dollars. However, the travel industry suffered a decline in real dollars,

a dramatic change from the increase posted one year earlier. The GNP, on the other hand, experienced a positive but slower rate of growth in the third quarter of 1979 compared to the same period of 1978.

The travel industry posted more rapid dollar receipt gains during the third quarter than the second. However, when adjusted for inflation, real receipts declined faster than in the preceding period. Among the various sectors, only Amtrak produced greater growth in real receipts in the third quarter than in the second.

In summary, the growth in current dollar receipts of the travel industry outpaced that in the year-earlier period and during the second quarter. The travel industry dollar gains exceeded the growth in GNP as well. However, this experience reflected worsening price inflation rather than improved real growth. Removing the effects of inflation, the travel industry actually lost ground during the third quarter, falling considerably short of even the second quarter performance.

Table 1: Annual Rate of Change in Dollar and Real Receipts of Travel Industry Sectors, Third Quarters, 1979 and 1978

	Third Quarter Percent Change in Dollar Receipts		Third Quarter Percent Change in Real Receipts	
Type of Business	1979/1978	1978/1977	1979/1978	1978/1977
Air Transportation	17.1%	16.7%	7.8%	12.1%
Amtrak	42.0	-5.3	25.3	-9.5
Gasoline Service Stations	24.7	3.9	-14.5	-0.7
Eating and Drinking Places	5.8	11.6	-4.8	2.1
Lodging	10.9	16.5	-3.4	1.0
Amusement and Recreation Services	6.5	3.1	-0.8	-2.5
Overall	13.2%	8.8%	-6.0%	1.1%
Gross National Product	11.0%	12.7%	1.8%	4.7%

Sources: U.S. Travel Data Center, U.S. Census Bureau, Civil Aeronautics Board, National Railroad Passenger Corporation (Amtrak), and U.S. Bureau of Economic Analysis.

TRAVEL PRICE INDEX

The cost of travel away from home in the U.S. increased 17.1 percent during the third quarter of 1979 over the comparable 1978 period. This is considerably higher inflation than indicated one year earlier and during the second quarter as well. Moreover, travel prices far outpaced the growth in costs of all consumer goods and services, as represented by the Consumer Price Index (CPI).

The Data Center's Travel Price Index (TPI) summarizes the change in the seasonally unadjusted prices of goods and services purchased by travelers away from home in the U.S. Table 2 shows the percent change in individual components of the TPI for the third quarters of 1979 and 1978 over the preceding years. The table reveals that four components rose in price at double-digit rates during the third quarter of this year: gasoline (45.9 percent); lodging (14.8 percent); food away from home (11.1 percent); and railroad fares (10.7 percent). At the other end of the scale, incidentals posted the smallest increase in price during the third quarter at 5.7 percent, higher than the 4.1 percent rise the previous year.

All components of the TPI showed larger price advances in 1979's third quarter than in the comparable period one year earlier, except lodging which indicated a slightly smaller increase.

Gasoline price increases contributed 46 percent to the growth in overall travel prices during the third quarter. Lodging added another 21 percent while food contributed 18 percent. If gasoline prices had not increased, the Travel Price Index would have grown only eight percent over that posted in 1978's third quarter.

There were favorable signs on the inflation front among the non-transportation components of the TPI. Lodging, food, entertainment and incidentals (entertainment goods, apparel, and upkeep) all posted less price growth in 1979's third quarter than during the second quarter. This is probably attributable to these sectors being less dependent on petroleum than transportation, and thus less sensitive to petroleum price increases. It remains to be seen, however, whether future quarters will reverse this trend as firms are forced to pass previous petroleum fuel price increases along to their customers.

In sum, travel prices rose rapidly during the third quarter of 1979, in response to soaring petroleum fuel costs. The cost of travel in the U.S. grew faster than overall consumer prices, and was considerably worse than year-earlier and preceding-quarter experiences. Gasoline contributed the bulk of the inflation, but all transport sectors exhibited considerably worse price behavior.

Table 2: Annual Rate of Change in the Travel Price Index and Components,* Third Quarters, 1979 and 1978

TPI Component	Third Quarter 1979/1978 Percent Change	Third Quarter 1978/1977 Percent Change
Transportation		
Airline Fares	8.5%	4.1%
Intercity Bus Fares	8.8	4.2
Railroad Fares	10.7	6.5
Taxicab Fares	9.7	6.7
Gasoline	45.9	4.6
Lodging	14.8	15.6
Food Away From Home	11.1	9.3
Entertainment Services	7.2	5.8
Incidentals	5.7	4.1
Travel Price Index	17.1%	8.5%
Consumer Price Index	11.7%	8.0%

*1967 = 100

Source: U.S. Travel Data Center based on data from the U.S. Bureau of Labor Statistics.

TRAVEL VOLUME

The volume of domestic travel away from home totaled more than 415 billion passenger-miles in 1979's third quarter, 16 billion passenger-miles less than during the same period in 1978. In the recent period, travelers in the U.S. generated 1,890 passenger-miles per U.S. resident, down from 1,977 passenger-miles per capita in 1978's third quarter.

The decline in total passenger-miles traveled translates into a 3.7 percent drop from the third quarter, 1978 level. As Table 3 indicates, the decrease was concentrated in automobile travel as uncertain gasoline availability affected travel plans. Air, bus and rail travel all showed increases, with bus and rail performance considerably improved over 1978 activity.

The data indicate that while common carriers may have picked up some discouraged auto travelers, intercity auto travel appears more to have been curtailed than diverted to other modes. The increase in common carrier passenger-miles offset only 28 percent of the decline in auto travel. Moreover, scheduled air travel increased at a slower rate in 1979's third period than it did one year earlier. The conclusion is that Amtrak and intercity bus companies did gain from the gasoline shortages and higher prices, but there is little evidence that the airlines gained much. In spite of the automobile travel decline, this mode still accounted for nearly 85 percent of total passenger-miles for the quarter.

The third quarter passenger-mile performance was an improvement over the second quarter for the intercity bus industry, while Amtrak experienced a somewhat slower rate of growth. Air traffic increased at the same rate during both the same second and third quarters. Third quarter intercity auto travel indicated a precipitous decline compared to the small drop recorded in the second quarter.

Table 3: Modal Shares and Annual Change in Intercity Passenger-Miles, Third Quarters, 1979 and 1978

Mode	1979 Share	Third Quarter Percent Change 1979/1978	Third Quarter Percent Change 1978/1977	Third Quarter Absolute Change (millions) 1979/1978	Third Quarter Absolute Change (millions) 1978/1977
Intercity Auto	84.8%	-6.0%	4.0%	-22,318	14,404
Scheduled Air	13.5	11.0	19.0	5,533	8,060
Intercity Bus	1.3	7.9	-1.6	400	-80
Amtrak	0.4	27.6	-6.9	325	-87
Overall	100%	-3.7%	5.5%	-16,060	22,297

Note: Details may not add to totals due to rounding.

Source: U.S. Travel Data Center based on data from the Federal Highway Administration, Civil Aeronautics Board, American Bus Association, and Amtrak.

PETROLEUM SUPPLIES

The supply of travel-related petroleum products was mixed during third quarter, 1979. Overall, refined petroleum product supplies were more than 4 percent less than in 1978's third quarter, while motor gasoline supplies fell twice this much. Jet fuel, on the other hand, indicated a 2.4 percent increase in supplies over the year-earlier period.

As indicated in Table 4, refined petroleum product supplies were 2.2 million barrels per day less during the third quarter than one year earlier. Gasoline supplies, however, were nearly 1.9 million barrels per day less. Apparently, motor gasoline, which normally accounts for about 40 percent of total refined petroleum product supplies, accounted for 85 percent of the overall supply reduction during the third quarter.

Table 4: Annual Change in Petroleum Product Supplies, Third Quarters, 1979 and 1978

	Third Quarter Percent Change		Third Quarter Absolute Change (thousand bbl/day)	
	1979/1978	1978/1977	1979/1978	1978/1977
Refined Petroleum Products	-4.1%	1.7%	-2,230	932
Motor Gasoline	-8.3	3.0	-1,887	672
Jet Fuel	2.4	0.5	77	17

Source: U.S. Travel Data Center and U.S. Department of Energy.

VISITOR VOLUME AT PARKS AND ATTRACTIONS

Third Quarter attendance at the nation's parks and attractions continued the decline that began during the first quarter. Total visitor volume dropped 6.8 percent from the previous year, the same rate of decrease posted during the second quarter.

Six of the nine Discover America Travel Regions indicated declines in attendance, ranging from the Mountain West (down 15.5 percent) to the Far West (down 3.3 percent). As indicated in Table 5, The Islands, New England and Great Lakes Country all showed improvement over 1978's third quarter.

Attendance at private attractions showed the greatest drop: down more than 11 percent. Facilities in the Eastern Gateway region suffered the largest loss of business. National parks and State parks showed drops of 6.3 percent and 4.8 percent, respectively, from the year-earlier period. The parks in the Frontier West and Far West indicated particularly sharp declines, while New England actually demonstrated growth during the third quarter.

It appears that gasoline availability problems particularly discouraged travel to private attractions, and to the middle-Atlantic areas. The north east and central regions fared considerably better. When viewed in the perspective of the earlier quarters of the year, the third quarter represents a bottoming out of the disruptive effects of gasoline shortages on travel to parks and attractions.

Table 5: Annual Rate of Change for U.S. Parks and Attractions by Region, Third Quarter, 1979*

Region	National Parks	State Parks	Private Attractions	All Facilities
Eastern Gateway	11.2% (19)[1]	-5.0% (1)	-27.6% (23)	-7.5% (43)
Far West	-9.1 (38)	0.9 (410)	-9.3 (24)	-3.3 (472)
Frontier West	-12.1 (47)	-15.4 (63)	-1.7 (93)	-10.1 (203)
George Washington Country	-5.5 (48)	-15.7 (218)	-15.6 (42)	-11.4 (308)
Great Lakes Country	14.8 (18)	-3.1 (200)	-3.3 (40)	1.9 (258)
Mountain West	-18.1 (46)	-12.3 (48)	-11.1 (33)	-15.5 (127)
New England	5.5 (13)	15.2 (232)	-13.4 (32)	6.4 (277)
South	-5.9 (53)	-4.0 (112)	-13.8 (91)	-8.4 (256)
The Islands	13.6 (8)	N/A	N/A	13.3 (8)
Overall	-6.3% (290)	-4.8% (1,284)	-11.4% (378)	-6.8% (1,952)

*Revised Estimates

[1]The number of facilities reporting in each category is shown in parentheses.

States comprising the Discover America Travel Regions: EASTERN GATEWAY: New York, New Jersey. FAR WEST: Alaska, California, Idaho, Nevada, Oregon, Washington. FRONTIER WEST: Arizona, Kansas, Missouri, New Mexico, Oklahoma, Texas. GEORGE WASHINGTON COUNTRY: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia. GREAT LAKES COUNTRY: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin. MOUNTAIN WEST: Colorado, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming. NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. SOUTH: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee. THE ISLANDS: American Samoa, Guam, Hawaii, Northern Marianas, Puerto Rico, Virgin Islands.

Source: U.S. Travel Data Center.

TRAVEL EMPLOYMENT

Although the volume of travel showed little or no growth in 1979's third quarter, travel industry employment rose by 4.2 percent over 1978. This was significantly less than the growth rate posted in 1978's third period, but still exceeded the 3.3-percent increase posted by the overall economy.

The travel industry created more than 303 thousand new jobs during the third quarter of 1979, contributing more than 10 percent to total U.S. employment growth.

As usual, eating and drinking places produced most of the new jobs, with nearly 271 thousand more than the third quarter 1978 level. The lodging industry sector, including hotels, motels and motor hotels, however, indicated the greatest percentage increase. This sector produced 80,000 more jobs during this period than one-year earlier, for an eight percent increase. Air transportation also added considerably more jobs during this period than in the earlier one.

On the other hand, amusement and recreation services establishments showed little growth in employment, and the number of jobs in gasoline service stations actually declined by 12 percent from 1978's third quarter. Gas stations suffered a net loss of 75 thousand jobs from the year-earlier level, attributable to reduced gasoline supplies.

The air transportation, intercity highway (bus) transportation, and lodging sectors all improved on their second quarter growth rates for job creation. However, eating and drinking places and amusement and recreation services firms showed slower growth. The rate of decline in gasoline service station jobs doubled in the third quarter compared to the second.

In summary, the problem of gasoline availability and resultant declines in auto-based travel activity produced slower rates of job-creation in the eating and drinking places and amusement/recreation sectors of the travel industry during the third quarter. Employment in gasoline service stations actually declined at twice the rate posted in the second quarter. On the other hand, airline transportation, intercity bus and lodging sectors added new employees at considerably higher rates than during the second quarter, or during the year-earlier period.

Table 6: Annual Change in Travel Industry Employment, Third Quarters, 1979 and 1978

Payroll Employment Sector	Third Quarter Percent Change 1979/1978	Third Quarter Percent Change 1978/1977	Third Quarter Absolute Change 1979/1978	Third Quarter Absolute Change 1978/1977
Air Transportation	6.3%	4.1%	25,700	16,000
Intercity Highway Passenger Transportation	3.7	-3.1	1,400	-1,200
Gasoline Service Stations	-11.8	0.0	-74,900	100
Eating and Drinking Places	6.1	7.3	270,600	300,500
Lodging	7.9	5.1	79,200	14,900
Amusement and Recreation Services	0.2	6.9	1,400	52,200
Overall	4.2%	5.5%	303,300	381,700
Total U.S. Nonagricultural Employment	3.3%	4.8%	2,859,700	3,976,600

Source: U.S. Travel Data Center and U.S. Department of Labor.

TRAVEL INDUSTRY PROFITS

Travel industry profits in the third quarter of 1979 showed poor results compared to profits reported in the comparable period last year, as shown in Table 7.

Food and lodging industries indicated a 19 percent growth in profits, down from the 22 percent rise in profits reported one year earlier. Leisure time industries showed a two percent decline, a drop from the 24 percent rise in 1978's third quarter. Airline industry earnings declined 74 percent from the previous year's third period.

For comparison, profits for all U.S. industries were up 22 percent in the third quarter of 1979, slightly lower than the 23 percent increase reported in the previous year.

Profits as a percent of sales for all U.S. industries increased at a rate of 5.5 percent in the third quarter of 1979, up from the 5.4 percent posted one year earlier. Leisure time industries reported a profit margin of 9.0 percent in 1979's third quarter, down from the 10.2 percent posted in 1978. The profit margin for food and lodging industries increased moderately, from 8.1 to 8.4 percent in the year's period. The profit margin for the airline industry declined in the third quarter, 1979, from 9.7 percent to 2.1 percent.

Table 7: Annual Rate of Change in Net Income and Profits of Travel Industry Firms, Third Quarters, 1979 and 1978

Industry	Third Quarter Profits Percent Change 1979/1978	1978/1977	Third Quarter Profits/Sales Percent Change 1979/1978	1978/1977
Airlines	-74%	57%	2.1%	9.7%
Food & Lodging	19	22	8.4	8.1
Leisure Time Industries	-2	24	9.0	10.2
All Industry Average	22%	23%	5.5%	5.4%

Source: U.S. Travel Data Center based on data from Business Week.

U.S. TRAVEL TO FOREIGN DESTINATIONS

The number of U.S. citizen air trips to overseas destinations during the third quarter increased by 100 thousand or four percent over the comparable period in 1978 (Table 8). This growth is significantly smaller than the 247-thousand-trip rise recorded during the third quarter of 1978, and smaller than the 164-thousand-trip rise in the second quarter of 1979.

The Caribbean/Central America area showed the largest absolute growth during the third quarter, 1979, with an increase of more than 47 thousand or 8 percent. However, this growth was only one-half that posted one year earlier. Country destinations in the Pacific/Far East area registered the second highest absolute growth in U.S. travel abroad at 38 thousand, and the highest percentage increase of all areas.

U.S. travel to Europe showed a dramatic change from year-earlier patterns. This increased less than 14 thousand over the previous year, only 13 percent of the rise posted in 1978's third quarter. As a result, the European share of the U.S. overseas travel market declined to 58 percent.

The Middle East, and the "Other" region (Africa, India and Pakistan) suffered net losses in U.S. travelers compared to the third quarter of 1978. U.S. travel to the Middle East was down nearly five thousand, producing a ten percent decline.

U.S. travel to Canada continued to decline. These U.S. trips totaled less than 6.6 million during the third quarter, an 11.5 percent decline from the previous year's period. All told, there were 721 thousand fewer U.S. visitors to Canada during 1979's third quarter than one year earlier. The totals are: third quarter, 1979, 5,567 thousand; third quarter, 1978, 6,290 thousand; and third quarter, 1977, 6,377 thousand.

In sum, U.S. travel to foreign destinations slowed considerably during 1979's third quarter. European travel showed little growth over year-earlier levels, while travel to Canada and the Middle East actually declined. The Pacific/Far East region, however, did demonstrate considerably more attractiveness as a destination for U.S. travel than in 1978's third period.

Table 8: Annual Change in U.S. Citizen Departures to Overseas Countries* and Regional Shares, by Destination Area, Third Quarters, 1979, 1978 and 1977

Destination Area	Third Quarter Absolute and Percent Change in U.S. Departures: Absolute Change 1979/1978	Percent Change 1979/1978	Absolute Change 1978/1977	Percent Change 1978/1977	Third Quarter Share of Total U.S. Citizen Travel Overseas: 1979	1978
Europe	13,910	1.6%	103,195	7.5%	58.2%	60.0%
Caribbean/ Central America[1]	47,356	7.9	89,199	17.5	25.1	24.2
Pacific/Far East[2]	38,007	19.2	28,544	16.8	9.2	8.0
South America	6,003	5.2	14,151	14.0	4.7	4.7
Middle East[3]	-4,985	-10.2	8,281	20.3	1.7	2.0
Other[4]	-219	-0.8	3,985	16.7	1.1	1.1
Overall	100,072	4.1%	247,355	11.1%	100.0%	100.0%

[1] Includes Caribbean, Central America and Panama Canal Zone

[2] Includes South Pacific, Far East and U.S. Trust Islands

[3] Includes Iran, Israel and United Arab Emirates

[4] Includes Africa, India and Pakistan

*Does not include Canada or Mexico.

Note: Details may not add to totals due to rounding.

Source: U. S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

FOREIGN ARRIVALS IN THE U.S.

Foreign arrivals by air in the U.S. increased 542 thousand in the third quarter over the previous year, or nearly 23 percent. As indicated in Table 9, the absolute increase is an improvement over 1978's third quarter, but the percentage growth is somewhat lower than in the earlier period.

The third quarter rate of growth is also significantly below the 30-percent rise posted in the second quarter of 1979.

Visitors from Europe showed the largest absolute growth over 1978's third quarter, up nearly 239 thousand. However, this area ranked low in percentage growth as an origin region. This indicates a decline in growth rates from 1979's second quarter, and 1978's third period.

The largest rate of growth as an origin area was indicated by South America, up more than 28 percent over last year. This continues the substantial increases posted in earlier quarters. The Pacific/Far East Region was up more than 27 percent in foreign visitors, continuing the higher rates shown earlier this year.

The Middle East and "Other" region (Africa, India and Pakistan) showed markedly lower rates of growth than during the second quarter or during 1978's third quarter.

Europe still accounted for nearly 48 percent of all U.S. visitors among overseas origin areas during the third quarter, down somewhat from earlier periods. The Pacific/Far East continued to hold second place, followed by Caribbean/Central America. The Pacific/Far East and South America areas were the only two to indicate improvements in market share in 1979's third quarter over the previous year.

The number of foreign arrivals in the U.S. from Canada by all modes of transportation in the third quarter of 1979 was down 21.7 percent from the previous year's third quarter. This drop was considerably worse than the 2.9 percent drop in 1978's third quarter. Recording 3.7 million arrivals in the third quarter, the number of arrivals from Canada declined over 1 million in 1979, compared to a decline of 143 thousand in 1978.

The exchange of visitors with Canada continues to be unfavorable, however. During 1979's third quarter, U.S. travelers to Canada outnumbered Canadian inbound traffic by 1.8 million. Canadian travel to the U.S. continues to decline at twice the rate of U.S. travel to our northern neighbor.

Table 9: Annual Change in Foreign Arrivals* in U.S. and Regional Shares, by Origin Area, Third Quarters, 1979, 1978 and 1977

Origin Area	Third Quarter Absolute and Percent Change in Foreign Arrivals in U.S.				Third Quarter Share of Total Foreign Arrivals in U.S.	
	Absolute Change 1979/1978	Percent Change 1979/1978	Absolute Change 1978/1977	Percent Change 1978/1977	1979	1978
Europe	238,699	20.8%	268,846	30.5%	47.5%	48.2%
Caribbean/ Central America[1]	91,068	21.2	58,607	15.8	17.8	18.0
Pacific/Far East[2]	128,093	27.4	51,345	12.3	20.3	19.6
South America	73,360	28.4	56,940	28.2	11.3	10.8
Middle East[3]	8,602	22.6	16,590	77.4	1.6	1.6
Other[4]	2,259	5.5	7,615	22.8	1.5	1.7
Overall	542,081	22.7%	459,943	23.9%	100.0%	100.0%

[1] Includes Caribbean, Central America and Panama Canal Zone

[2] Includes South Pacific, Far East and U.S. Trust Islands

[3] Includes Iran, Israel and United Arab Emirates

[4] Includes Africa, India and Pakistan

*Does not include Canada or Mexico.

Note: Details may not add to totals due to rounding.

Source: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

The growth in visitors from overseas areas continued to outrun U.S. travel abroad in 1979's third quarter. In fact, for the first time the U.S. hosted more visitors from abroad than it sent to these areas. The number of foreign visitors from overseas areas actually exceeded the number of U.S. trips abroad by 355 thousand. For the world at large, the U.S. has become a favored destination, due to relative exchange rates, economic conditions and travel costs.

APPENDIX A

Details of Tables Included in Report

Table 1A: Dollar and Real Receipts of Travel Industry Sectors, Third Quarters, 1979, 1978 and 1977

Type of Business	Third Quarter, 1979		Third Quarter, 1978		Third Quarter, 1977	
	Real Receipts (millions)	Dollar Receipts (millions)	Real Receipts (millions)	Dollar Receipts (millions)	Real Receipts (millions)	Dollar Receipts (millions)
Air Transportation	$ 2,346.0	$ 4,830.4	$ 2,175.3	$ 4,126.6	$ 1,941.1	$ 3,536.7
Amtrak	37.2	102.1	29.7	71.9	32.8	75.9
Gasoline Service Stations	6,797.5	19,771.0	7,951.4	15,861.0	8,004.7	15,268.0
Eating and Drinking Places	8,188.2	20,169.0	8,600.4	19,056.0	8,424.0	17,082.0
Lodging	2,596.2	6,505.0	2,686.0	5,864.0	2,660.5	5,032.0
Amusements and Recreation Services	3,729.6	7,063.0	3,758.3	6,634.0	3,855.0	6,433.0
Overall	$23,694.7	$58,440.5	$25,201.1	$51,613.5	$24,918.1	$47,427.6
Gross National Product (billions)	$ 1,433.3	$ 2,396.5	$1,407.3	$ 2,159.6	$ 1,343.9	$ 1,916.8

Sources: U.S. Travel Data Center based on data from U.S. Census Bureau, Civil Aeronautics Board, National Railroad Passenger Corporation (Amtrak), and Bureau of Economic Analysis.

Table 2A: Travel Price Index and Components*, Third Quarters, 1979, 1978 and 1977

TPI Component	Third Quarter, 1979			Third Quarter, 1978			Third Quarter, 1977		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
Transportation									
Airline Fares	198.5	205.2	214.1	190.0	189.6	189.6	181.1	181.1	184.3
Intercity Bus Fares	258.8	263.2	268.0	241.4	241.8	242.6	232.2	232.2	232.2
Railroad Fares	216.1	220.6	221.0	189.9	202.7	201.8	185.9	185.9	186.1
Taxicab Fares	220.6	224.7	228.5	204.1	205.0	205.3	191.4	191.6	192.7
Gasoline	280.0	292.0	301.0	197.2	199.8	201.5	190.9	190.8	190.5
Lodging	248.8	251.2	251.8	216.0	220.5	218.5	187.5	189.3	191.0
Food Away From Home	244.9	246.5	247.6	219.9	221.7	223.2	201.7	203.0	203.7
Recreation Services	188.6	189.4	190.2	175.5	176.3	177.9	166.1	166.7	168.0
Incidentals	177.0	178.7	180.9	168.2	169.0	170.4	161.4	162.4	163.6
Travel Price Index	236.8	241.3	245.1	204.4	206.5	206.9	188.8	189.6	190.9
Consumer Price Index	218.9	221.1	223.4	196.7	197.8	199.3	182.6	183.3	184.0

*1967=100

Sources: U.S. Travel Data Center based on data from the U.S. Bureau of Labor Statistics.

Table 3A: Travel Volume in Intercity Passenger-Miles, Third Quarters, 1979, 1978 and 1977

Mode	Third Quarter 1979 (millions)	Third Quarter 1978 (millions)	Third Quarter 1977 (millions)
Intercity Auto	352,085	374,403	359,999
Scheduled Air	56,009	50,476	42,416
Intercity Bus	5,470	5,070	5,150
Amtrak	1,502	1,177	1,264
Total	415,066	431,126	408,829

Sources: U.S. Travel Data Center based on data from the Federal Highway Administration, Civil Aeronautics Board, American Bus Association, and Amtrak.

Table 4A: Petroleum Product Supplies, Third Quarters 1979, 1978 and 1977 (thousand bbl/day)

Type of Petroleum Product	Third Quarter 1979			Third Quarter 1978			Third Quarter 1977		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
Total Refined Petroleum Products	16,906	17,957	17,133	17,633	18,639	17,954	17,568	18,012	17,714
Motor Gasoline	6,850	7,268	6,842	7,576	7,872	7,399	7,439	7,420	7,316
Jet Fuel	1,105	1,106	1,083	1,014	1,126	1,077	1,041	1,111	1,048

Source: U.S. Travel Data Center based on data from the U.S. Department of Energy.

Table 5A: Travel Industry Employment, Third Quarters, 1979, 1978 and 1977 (thousands)

Payroll Employment Sector	Third Quarter 1979			Third Quarter 1978			Third Quarter 1977		
	July	Aug.	Sept.	July	Aug.	Sept.	July	Aug.	Sept.
Air Transportation	430.3	434.6	433.2	409.7	405.3	406.1	390.4	391.2	391.4
Intercity Highway Pasenger Transportation	39.0	39.8	39.1	38.5	38.3	37.0	39.8	39.5	38.1
Gasoline Service Stations	552.6	561.7	565.0	637.7	633.8	632.7	634.2	634.5	635.0
Eating and Drinking Places	4,670.0	4,690.2	4,713.7	4,389.7	4,426.1	4,446.2	4,078.4	4,121.4	4,160.7
Lodging	1,090.2	1,088.0	1,048.4	1,005.3	1,011.8	971.7	988.8	996.4	958.9
Amusement and Recreation Services	833.1	816.8	765.9	810.0	820.1	781.7	765.9	767.0	722.1
Overall	7,615.2	7,631.1	7,565.3	7,290.9	7,335.4	7,275.4	6,897.5	6,950.0	6,909.2
Total U.S. Nonagricultural Employment	89,618.0	89,673.0	90,211.0	86,578.0	86,862.0	87,483.0	82,496.0	82,776.0	83,721.0

Source: U.S. Travel Data Cente. based on data from the U.S. Department of Labor.

Table 6A: U.S. Citizen Departures to Overseas Countries, Third Quarters, 1979, 1978 and 1977

Destination Area	Third Quarter 1979	Third Quarter 1978	Third Quarter 1977
Europe	1,495,191	1,481,281	1,378,086
Caribbean/Central America[1]	645,920	598,564	509,365
Pacific/Far East[2]	236,352	198,345	169,801
South America	121,261	115,258	101,107
Middle East[3]	44,119	49,104	40,823
Other[4]	27,628	27,847	23,862
Total	2,570,471	2,470,399	2,223,044

[1] Includes Caribbean, Central America and Panama Canal Zone

[2] Includes South Pacific, Far East and U.S. Trust Islands

[3] Includes Iran, Israel and United Arab Emirates

[4] Includes Africa, India and Pakistan

Sources: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

Table 7A: Foreign Arrivals in the U.S., Third Quarters, 1979, 1978 and 1977

Origin Area	Third Quarter 1979	Third Quarter 1978	Third Quarter 1977
Europe	1,388,565	1,149,866	881,020
Caribbean/Central America[1]	520,130	429,062	370,455
Pacific/Far East[2]	595,390	467,297	415,952
South America	331,969	258,609	201,669
Middle East[3]	46,630	38,028	21,438
Other[4]	43,253	40,994	33,379
Total	2,925,937	2,383,856	1,923,913

[1] Includes Caribbean, Central America and Panama Canal Zone

[2] Includes South Pacific, Far East and U.S. Trust Islands

[3] Includes Iran, Israel and United Arab Emirates

[4] Includes Africa, India and Pakistan

Sources: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

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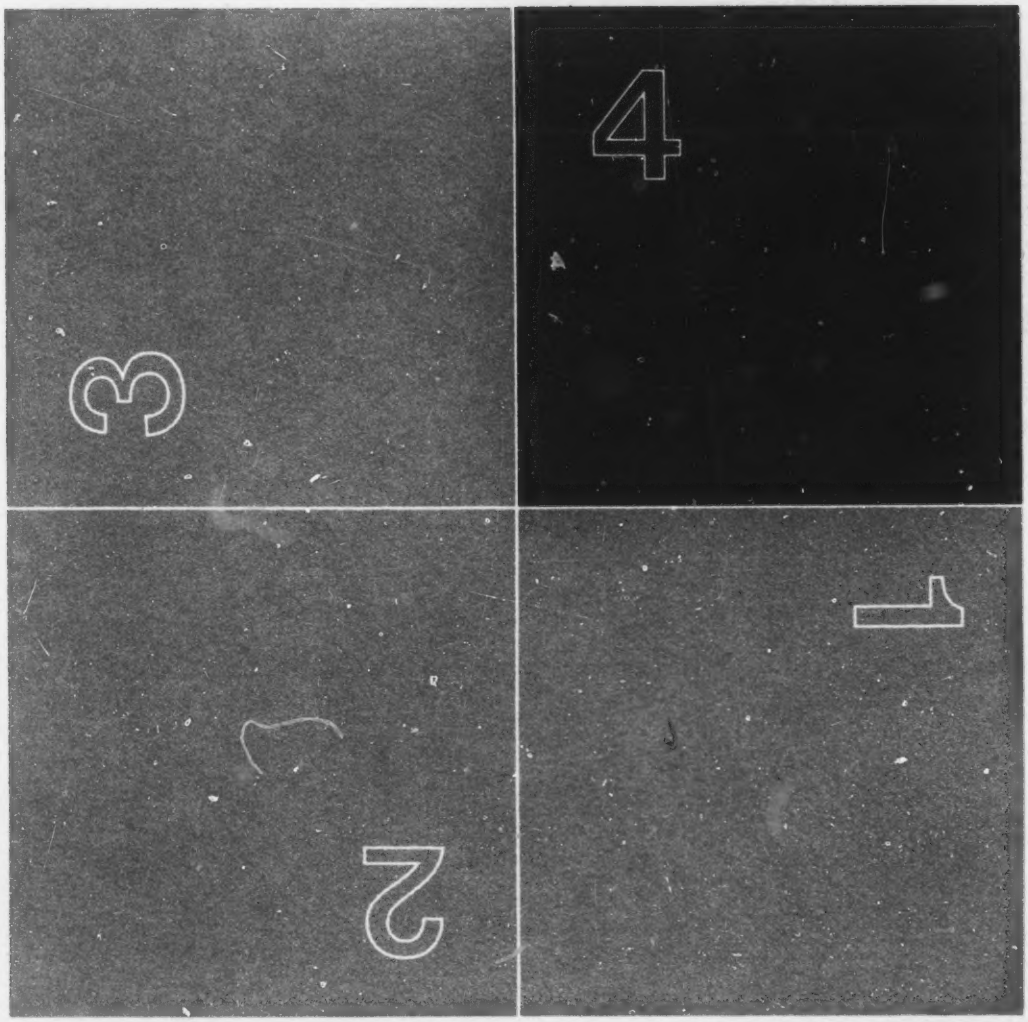
U.S. Travel Data Center

1979 Quarterly Travel Trends



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1979 QUARTERLY TRAVEL TRENDS

FOURTH QUARTER

United States Travel Data Center
Washington, D.C.

Price: Ten Dollars

The United States Travel Data Center is the national, non-profit center for travel and tourism research. Since its establishment in 1973, the Data Center has devoted itself to advancing the common interests of the travel industry and the public it serves by encouraging, sponsoring and conducting statistical, economic, and scientific research concerning travel, the travel industry and travel-related industries. In pursuit of this objective, the Data Center gathers, analyzes, publishes and disseminates the results of such research, and cooperates with all government agencies, private industry and academic institutions with similar purposes and objectives. The Data Center is financed through publication sales, membership dues and contract research. It is located in Suite 610, 1899 L Street, N.W., Washington, D.C. 20036.

Earl E. Ditmars, Chairman

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INTRODUCTION

This report summarizes emerging travel and travel-related trends for the fourth quarter of 1979. The report is arranged in nine sections covering travel industry receipts, travel prices, travel volume, petroleum supplies, attendance at U.S. parks and attractions, travel employment, travel industry profits, U.S. travel to foreign destinations, and foreign travel to U.S. destinations. Tables and analysis are included in each section.

This is the fourth in a series of quarterly reports on the nation's travel trends to be published by the Data Center. The series has been designed to provide the travel industry with timely information on relevant economic characteristics, on a regular continuing basis.

The tables and narrative that follow attempt to place travel industry developments during 1979 in the perspective of past experience. The data are derived from the best available national travel statistics published by the federal government and respected private organizations. The actual tables and analyses were developed by the U.S. Travel Data Center.

Travel in this report is defined as activities associated with trips out of the home community, except for commuting to work. In some cases, the statistics presented include effects generated by local activity rather than intercity travel, and it is not possible at this time to remove these elements. The information presented here relates only to U.S. domestic travel unless otherwise indicated.

Ronald S. Riggins, Economist for the U.S. Travel Data Center, was project manager for this report.

Copies of Quarterly Travel Trends for prior quarters of 1979 are currently available from the U.S. Travel Data Center, 1899 L Street, N.W., Washington, D.C. 20036. The cost is $10.00 each, plus $2.00 shipping and handling.

SUMMARY

Nineteen seventy-nine's fourth quarter was one of partial recovery for the U.S. travel industry. After the near-disastrous impact of gasoline shortages in the third quarter, the decline in travel slowed and price rather than petroleum fuel availability became the dominant depressing factor.

Foreign travel to the U.S. remained quite encouraging, as the nation continued to enjoy a favorable balance of visitors with overseas nations and Canada.

The acceleration in travel industry dollar receipts obscured the decline in real output during the fourth quarter. Air transportation and the amusement/recreation sector were the only two areas of the industry that increased real production. The cost of travel accelerated during the period, led by gasoline prices and air fares. All modes of transport posted greater-than-average price inflation, fed by increased petroleum costs.

Actual travel volume declined again for the third straight quarter. Increases in common carrier traffic were enough to offset only one-third of the drop in personal motor vehicle travel. However, the fourth quarter data indicate the drop in auto travel may be nearing its end.

Petroleum supply data make it clear that it is cost rather than availability that is dampening auto travel. Consumers are apparently economizing more on gasoline consumption for close-to-home travel: the percentage drop in intercity motor vehicle travel was only one-third the overall decline in gasoline usage.

After the precipitous decline in the third quarter, visitor volume at the nation's parks and attractions produced the first increase for the year during the fourth quarter. New England, however, continued to show signs of suffering the greatest loss of this business.

Travel industry employment growth slowed, but was still remarkable in light of the decline in real output. The industry increased jobs at a rate of fifty percent faster than the overall economy.

Posting a 20-percent growth rate over the previous year, overseas visitor volume in the U.S. was down somewhat from the third quarter's blistering pace. Since U.S. travel abroad posted lower rates of increase, the U.S. improved on its favorable balance of visitor volume first evident in the third quarter.

Boosted by soaring foreign visitation and no longer hampered oy fears of gasoline shortages, the U.S. travel industry posted signs of recovery during the fourth quarter of 1979. While inflation is still a menacing factor, the industry should re-enter a growth track in the early quarters of 1980.

TRAVEL INDUSTRY RECEIPTS

Demand for travel transportation goods and services, as measured by the dollar receipts of travel industry firms, grew 19 percent during the fourth quarter of 1979, significantly more than the fourth quarter, 1978 increase of nearly 10 percent (Table 1).

In response to higher gasoline prices, gasoline service station receipts jumped 30.5 percent, up from the moderate 7.2 percent rise in 1978's fourth period. This is remarkable in light of the fact that gasoline consumption declined more than eight percent, and illustrates dramatically the effects of rising gasoline prices.

Amtrak continued the pattern established earlier in 1979 by showing a large percent increase in receipts in the fourth quarter. As Table 1 indicates, dollar receipts of Amtrak rose 18.9 percent, up from the 10.2 percent rise posted one year earlier.

Receipts of the air transportation industry, up 25.9 percent, showed a slight increase over the growth rate posted in 1978's fourth quarter. Receipts of eating and drinking places indicated slower growth in the fourth quarter of 1979.

The dollar receipt figures include the impact of higher prices as well as changes in real output. Adjusting dollar receipts for inflation during the fourth quarter period of 1979, 1978, and 1977 indicates that most travel industry sectors are showing less growth in output for 1979 than in 1978. As Table 1 indicates, overall real receipts of travel-related businesses actually fell 3.4 percent in 1979's fourth quarter, down from the 1.3 percent rise in 1978's fourth quarter.

Amusement and recreation services showed a substantial increase in the rate of growth in real receipts in fourth quarter, 1979. Air transportation indicated a moderate increase in real output, down from the level set the previous year. On the other hand, gasoline service stations, hotels, motels and other lodging places, and eating and drinking places showed net losses in real receipts from fourth quarter, 1978.

Gasoline service stations showed the largest decline in real output (dollar receipts less inflation), down 13.7 percent in 1979's fourth quarter from the previous year. In fact, fourth quarter gasoline service station real receipts dropped 4.2 percent from the third quarter level, suggesting that travelers bought less gasoline in response to escalating petroleum prices.

Overall, the U.S. travel industry grew at a faster rate than the nation's Gross National Product (GNP) in terms of current dollars, but suffered a decline in real dollars, while real GNP rose.

The travel industry posted more rapid dollar receipt gains during the fourth quarter than during the third. When dollar receipts are adjusted for inflation, real receipts declined slower than in the preceding period. Among the various sectors, only amusement and recreation services produced greater growth in real receipts in the fourth quarter than in the third.

In summary, the growth in current dollar receipts of the travel industry outpaced that in the year-earlier period and during the third quarter. The travel industry dollar gains exceeded the growth in GNP as well. However, this experience reflected worsening price inflation rather than improved real growth. Removing the effects of inflation, the travel industry actually lost ground during the fourth quarter, though not to the degree experienced during the third quarter.

Table 1: Annual Rate of Change in Dollar and Real Receipts of Travel Industry Sectors, Fourth Quarters, 1979 and 1978

Type of Business	Fourth Quarter Percent Change in Dollar Receipts		Fourth Quarter Percent Change in Real Receipts	
	1979/1978	1978/1977	1979/1978	1978/1977
Air Transportation	25.9%	8.8%	2.5%	7.0%
Amtrak	18.9	10.2	0.3	6.9
Gasoline Service Stations	30.5	7.2	-13.7	-0.1
Eating and Drinking Places	9.9	10.1	-1.2	0.1
Lodging	14.2	23.6	-1.2	7.1
Amusement and Recreation Services	18.4	6.9	11.3	0.3
Overall	19.3%	9.9%	-3.4%	1.3%
Gross National Product	9.9%	14.2%	1.0%	5.3%

Sources: U.S. Travel Data Center, U.S. Census Bureau, Civil Aeronautics Board, National Railroad Passenger Corporation (Amtrak), and U.S. Bureau of Economic Analysis

TRAVEL PRICE INDEX

The cost of travel away from home in the U.S. increased 20.5 percent during the fourth quarter of 1979 over the comparable 1978 period. This is considerably higher inflation than indicated one year earlier or during the third quarter. Moreover, travel prices far outpaced the growth in costs of all consumer goods and services, as represented by the Consumer Price Index (CPI).

The Data Center's Travel Price Index (TPI) summarizes the changes in the seasonally unadjusted prices of goods and services purchased by travelers away from home in the United States. Table 2 shows the percent change in individual components of the TPI for the fourth quarters of 1979 and 1978 over the preceding years. The table reveals that all but two components rose in price at double-digit rates during the fourth quarter of 1979, ranging from 51.2 percent for gasoline to 11.2 percent for food away from home. At the other end of the scale, incidentals and entertainment services posted the smallest increases during the fourth quarter, both at 6.3 percent.

All components of the TPI showed larger price advances in 1979's fourth quarter than in the comparable period one year earlier, except entertainment services.

Gasoline price increases contributed 42 percent of the growth in overall travel prices during the fourth quarter. Lodging added another 19 percent while food contributed 16 percent. If gasoline prices had not increased, the Travel Price Index would have grown only 16 percent over that posted in 1978's fourth quarter.

There were some unfavorable signs on the inflation front among the transportation components of the TPI. While the non-transportation components posted price increases in 1979's fourth quarter similar to those in the third quarter, all transportation components showed much higher inflation rates. This is primarily attributable to these sectors being more dependent on petroleum than the non-transportation sectors, and thus more sensitive to petroleum price increases.

In sum, travel prices rose rapidly during the fourth quarter of 1979, in response to soaring petroleum fuel costs. The cost of travel in the U.S. grew faster than overall consumer prices, and was considerably worse than year-earlier and preceding-quarter experiences. Gasoline contributed the bulk of the inflation, but all transport sectors exhibited considerably worse price behavior.

Table 2: Annual Rate of Change in the Travel Price Index and Components,* Fourth Quarters, 1979 and 1978

TPI Component	Fourth Quarter 1979/1978 Percent Change	Fourth Quarter 1978/1977 Percent Change
Transportation		
Airline Fares	22.9%	1.7%
Intercity Bus Fares	14.6	4.9
Railroad Fares	18.5	3.1
Taxicab Fares	14.0	6.5
Gasoline	51.2	7.3
Lodging	15.6	15.4
Food Away From Home	11.2	10.0
Entertainment Services	6.3	6.5
Incidentals	6.3	4.2
Travel Price Index	20.5%	8.9%
Consumer Price Index	12.7%	9.0%

*1967 = 100

Source: U.S. Travel Data Center based on data from the U.S. Bureau of Labor Statistics

TRAVEL VOLUME

The volume of domestic travel away from home totaled nearly 347 billion passenger-miles in 1979's fourth quarter, 6 billion passenger-miles less than during the same period in 1978. In the recent period, travelers in the U.S. generated 1,575 passenger-miles per U.S. resident, down from 1,616 passenger-miles per capita in 1978's fourth quarter.

The decline in total passenger-miles traveled translates into a 1.7 percent drop from the fourth quarter, 1978 level. As Table 3 indicates, the decrease was concentrated in automobile travel as uncertain gasoline availability and rising prices affected travel plans. Air and bus travel showed increases during the fourth quarter, while rail travel declined from its 1978 level.

The data indicate that while common carriers may have picked up some discouraged auto travelers, intercity auto travel appears more to have been curtailed than diverted to other modes. The increase in common carrier passenger-miles offset only 31 percent of the decline in auto travel. Moreover, scheduled air travel increased at a slower rate in 1979's fourth period than it did one year earlier. The conclusion is that intercity bus companies did gain from the gasoline shortages and higher prices, but there is little evidence that the airlines or railroads gained much. In fact, Amtrak actually lost ground in the current period compared to one year ago. In spite of the automobile travel decline, this mode still accounted for 85 percent of total passenger-miles for the quarter.

Although the fourth quarter common carrier passenger-mile performance was an improvement over the same period one year earlier, the intercity bus and scheduled air industries experienced slower growth during the fourth quarter than during the third. Fourth quarter rail travel indicated a precipitous decline compared to the small drop recorded in the third quarter, while intercity auto travel during the current period declined at half its previous rate.

Table 3: Modal Shares and Annual Change in Intercity Passenger-Miles, Fourth Quarters, 1979 and 1978

Mode	1979 Share	Fourth Quarter Percent Change 1979/1978	Fourth Quarter Percent Change 1978/1977	Fourth Quarter Absolute Change (millions) 1979/1978	Fourth Quarter Absolute Change (millions) 1978/1977
Intercity Auto	85.0%	-2.9%	5.8%	-8,646	16,564
Scheduled Air	13.6	5.8	14.9	2,573	5,788
Intercity Bus	1.1	5.4	-1.1	190	-40
Amtrak	0.3	-11.1	13.2	-118	124
Overall	100%	-1.7%	6.8%	-6,001	22,436

Note: Details may not add to totals due to rounding.

Source: U.S. Travel Data Center based on data from the Federal Highway Administration, Civil Aeronautics Board, American Bus Association, and Amtrak

PETROLEUM SUPPLIES

The supply of travel-related petroleum products declined during the fourth quarter of 1979. Overall, refined petroleum product supplies were 4.6 percent less than in 1978's fourth quarter, while motor gasoline supplies were down by nearly twice this much. Jet fuel, on the other hand, indicated only a 0.8 percent decrease in supplies over the year-earlier period.

As indicated in Table 4, refined petroleum product supplies were 291 thousand barrels per day less during the fourth quarter than one year earlier. Gasoline supplies, however, were nearly 212 thousand barrels per day less. Motor gasoline, which normally accounts for about 40 percent of total refined petroleum product supplies, accounted for 73 percent of the overall supply reduction during the fourth quarter.

Table 4: Annual Change in Petroleum Product Supplies, Fourth Quarters, 1979 and 1978

	Fourth Quarter Percent Change		Fourth Quarter Absolute Change (thousand bbl/day)	
	1979/1978	1978/1977	1979/1978	1978/1977
Refined Petroleum Products	-4.6%	2.1%	-291	133
Motor Gasoline	-8.5	3.2	-212	78
Jet Fuel	-0.8	2.5	-3	9

Source: U.S. Travel Data Center and U.S. Department of Energy

VISITOR VOLUME AT PARKS AND ATTRACTIONS

Fourth quarter attendance at the nation's parks and attractions reversed the decline evident since first quarter, 1979. Total visitor volume rose 2.2 percent from the previous year, a dramatic improvement from the 6.8 percent decline in the third period.

Five of the nine Discover America Travel Regions showed attendance increases over fourth quarter, 1979. These ranged from more than 11 percent in George Washington Country to about one-tenth of one percent in The Islands region. New England posted the greatest percentage decline of all regions, down 7.5 percent from 1979's fourth quarter.

Attendance at State parks showed the greatest drop; down nearly four percent. Facilities in the New England region suffered the largest loss of business. National parks and private attractions showed growth rates of 6.3 percent and 1.3 percent, respectively, from the year-earlier period. The parks in Great Lakes Country and George Washington Country indicated particularly sharp rises, while Mountain West demonstrated the largest decline during the fourth quarter.

When viewed in the perspective of the earlier quarters of the year, the fourth quarter represents recovery from the disruptive effects of gasoline shortages on travel to parks and attractions.

Table 5: Annual Rate of Change for U.S. Parks and Attractions by Region, Fourth Quarter, 1979*

Region	National Parks	State Parks	Private Attractions	All Facilities
New England	-1.3[1] (13)	-1.3 (75)	-19.2 (37)	-7.5 (125)
Eastern Gateway	5.9 (19)	-15.8 (1)	-21.7 (23)	-5.3 (43)
G. Washington Country	24.6 (48)	-14.3 (222)	-1.9 (44)	11.1 (314)
The South	-2.7 (53)	-6.9 (74)	1.7 (76)	-1.7 (203)
Great Lakes Country	44.3 (18)	-6.4 (206)	9.8 (39)	3.1 (263)
Mountain West	-5.8 (46)	-10.4 (59)	22.0 (27)	-3.2 (132)
Frontier West	3.8 (47)	1.8 (122)	-0.5 (41)	2.0 (210)
Far West	-1.0 (38)	6.6 (240)	5.2 (27)	3.5 (305)
The Islands	-1.1 (8)	N/A	N/A	0.1 (8)
Overall	6.3 (290)	-3.7 (999)	1.3 (314)	2.2 (1603)

*Revised Estimates

[1]The number of facilities reporting in each category is shown in parentheses.

States comprising the Discover America Travel Regions: NEW ENGLAND: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. EASTERN GATEWAY: New York, New Jersey. GEORGE WASHINGTON COUNTRY: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia. THE SOUTH: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee. GREAT LAKES COUNTRY: Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin. MOUNTAIN WEST: Colorado, Montana, Nebraska, North Dakota, South Dakota, Utah, Wyoming. FRONTIER WEST: Arizona, Kansas, Missouri, New Mexico, Oklahoma, Texas. FAR WEST: Alaska, California, Idaho, Nevada, Oregon, Washington. THE ISLANDS: American Samoa, Guam, Hawaii, Northern Marianas, Puerto Rico, U.S. Virgin Islands.

Source: U.S. Travel Data Center

TRAVEL EMPLOYMENT

Although the volume of travel showed little or no growth in 1979's fourth quarter, travel industry employment rose by 3.8 percent over 1978. This was significantly less than the growth rate posted in 1978's fourth period, but still exceeded the 2.6 percent increase posted by the overall economy.

The travel industry created more than 268 thousand new jobs during the fourth quarter of 1979, contributing more than 11 percent of total U.S. employment growth.

As usual, eating and drinking places produced most of the new jobs, with nearly 261 thousand more than the fourth quarter, 1978 level. The lodging sector, including hotels, motels and motor hotels, however, indicated the greatest percentage increase. This sector produced 65 thousand more jobs during this period than one-year earlier, for a seven percent increase. Air transportation added fewer jobs during this period than in the earlier one.

On the other hand, amusement and recreation services establishments showed a slight decline in employment, and the number of jobs in gasoline service stations fell by 10 percent from 1978's fourth quarter. Gas stations suffered a net loss of 60 thousand jobs from the year-earlier level.

Intercity highway (bus) transportation improved on its third quarter growth rate for job creation. On the other hand, eating and drinking places, air transportation, and lodging firms showed slower growth. The rate of decline in gasoline service station jobs slowed in the fourth quarter compared to the third.

In summary, despite the decline in the travel industry's real output, industry employment continued to expand. Moreover, the U.S. travel industry again created new jobs at a faster rate than the overall economy during the fourth quarter. However, signs of a slowdown were evident in several sectors, and in the overall figures on travel-related employment.

Table 6: Annual Change in Travel Industry Employment, Fourth Quarters, 1979 and 1978

Payroll Employment Sector	Fourth Quarter Percent Change 1979/1978	Fourth Quarter Percent Change 1978/1977	Fourth Quarter Absolute Change 1979/1978	Fourth Quarter Absolute Change 1978/1977
Air Transportation	5.4%	4.9%	22,100	19,300
Intercity Highway Passenger Transportation	5.9	0.6	2,100	200
Gasoline Service Stations	-9.5	0.5	-59,900	3,200
Eating and Drinking Places	6.0	6.9	261,400	281,100
Lodging	7.1	1.5	64,800	13,900
Amusement and Recreation Services	-3.2	8.6	-22,300	54,200
Overall	3.8%	6.0%	268,200	398,500
Total U.S. Nonagricultural Employment	2.6%	4.7%	2,324,700	3,963,600

Source: U.S. Travel Data Center and U.S. Department of Labor

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TRAVEL INDUSTRY PROFITS

The travel industry profit picture in the fourth quarter of 1979 was poor compared to fourth quarter, 1978, as shown in Table 7.

Food and lodging industries indicated a three percent decline in profits, a considerable reversal from the 24 percent rise reported one year earlier. Leisure time industries showed a 10 percent growth rate, slower than the 34 percent rise in 1978's fourth quarter.

The airline industry, posted a net loss during the fourth quarter of 1979, compared to six percent decline in profits one year earlier.

For comparison, profits for all U.S. industries were up 13 percent in the fourth quarter of 1979, only half the 26 percent increase reported the previous year but considerably better than the travel industry.

Profits as a percent of sales for all U.S. industries stood at 5.1 percent in 1979's fourth quarter, down from the 5.5 percent profit margin posted one year earlier. Leisure time industries reported a profit margin of 9.4 percent during 1979's fourth quarter, the same portion as indicated in 1978. The percent of profit over sales for the food and lodging industries declined to 4.0 percent in the latter period from the 4.8 percent reported in 1978's fourth quarter.

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Table 7: Profit Margins and Annual Rate of Change in Profits of Travel Industry Firms, Fourth Quarters, 1979 and 1978

Industry	Fourth Quarter Profits Percent Change 1979/1978	1978/1977	Fourth Quarter Profit Margin 1979	1978
Airlines	NM[1]	-6%	NM[1]	1.4%
Food & Lodging	-3%	24	4.0%	4.8
Leisure Time Industries	10	34	9.4	9.4
All Industry Average	13%	26%	5.1%	5.5%

[1] NM=not meaningful because industry posted net loss.

Source: U.S. Travel Data Center based on data from Business Week.

U.S. TRAVEL TO FOREIGN DESTINATIONS

The number of U.S. citizen air trips to overseas destinations during the fourth quarter increased by 70 thousand or four percent over the comparable period in 1978 (Table 8). This growth is significantly slower than the 153-thousand-trip rise recorded during the fourth quarter of 1978, and smaller than the 100-thousand-trip rise in the third quarter of 1979.

The Pacific/Far East area showed the largest absolute growth during fourth quarter, 1979, with an increase of more than 37 thousand. Country destinations in the Caribbean/Central America area registered the second highest absolute growth in U.S. travel abroad at 37 thousand; however, this growth was only one-half that posted one year earlier.

U.S. travel to Europe showed a dramatic change from year-earlier patterns. This travel increased by fewer than two thousand travelers over the previous year, only three percent of the rise posted in 1978's fourth quarter.

The Middle East, and the "Other" region (Africa, India, and Pakistan) suffered net losses in U.S. travelers compared to the fourth quarter of 1978. U.S. travel to the Middle East was down 5.5 thousand, producing a sixteen percent decline.

Reversing the trend set in 1979's previous quarters, U.S. travel to Canada showed some strength. These U.S. trips totaled slightly less than 1.6 million during the fourth quarter, a 1.9 percent rise from the year earlier period. All told, there were 31 thousand more U.S. visitors to Canada during 1979's fourth quarter than one year earlier. The totals are: fourth quarter, 1979, 1,648 thousand; fourth quarter, 1978, 1,617 thousand; and fourth quarter, 1977, 1,594 thousand.

In sum, growth in U.S. travel to foreign destinations slowed considerably during 1979's fourth quarter. European travel showed little growth over year-earlier levels, while travel to the Middle East and the "Other" areas actually declined. The Pacific/Far East region, however, did demonstrate considerably more attractiveness as a destination for U.S. travel than in 1978's fourth period.

Table 8: Annual Change in U.S. Citizen Departures to Overseas Countries* and Regional Shares, by Destination Area, Fourth Quarters, 1979, 1978 and 1977

Destination Area	Fourth Quarter Absolute and Percent Change in U.S. Departures: Absolute Change 1979/1978	Percent Change 1979/1978	Absolute Change 1978/1977	Percent Change 1978/1977	Fourth Quarter Share of Total U.S. Citizen Travel Overseas: 1979	1978
Europe	1,890	0.3%	41,252	6.3%	40.5%	42.2%
Caribbean/ Central America[1]	37,268	6.7	63,929	13.0	34.6	33.8
Pacific/Far East[2]	37,322	18.3	22,094	12.1	14.1	12.4
South America	2,669	2.2	16,865	16.4	7.2	7.3
Middle East[3]	-5,515	-16.1	1,476	-4.1	1.7	2.1
Other[4]	-3,394	-9.5	9,926	38.7	1.9	2.2
Overall	70,240	4.3%	152,590	10.3%	100.0%	100.0%
Canada**	31,253	1.9%	23,271	1.5%	-	-

[1]Includes Caribbean, Central America and Panama Republic; [2]Includes South Pacific, Far East and U.S. Trust Islands; [3]Includes Iran, Israel and United Arab Emirates; [4]Includes Africa, India and Pakistan.

*Does not include Mexico.

**Includes U.S. departures by all modes of transportation.

Note: Details may not add to totals due to rounding.

Source: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

FOREIGN ARRIVALS IN THE U.S.

Foreign arrivals by air in the U.S. increased 340 thousand in the fourth quarter over the previous year, or nearly 20 percent. As indicated in Table 9, the absolute increase is an improvement over 1978's fourth quarter, but the percentage growth is somewhat lower than in the earlier period. The fourth quarter rate of growth is also significantly below the 23 percent rise posted in the third quarter of 1979.

Visitors from Europe showed the largest absolute growth over 1978's fourth quarter, up nearly 133 thousand. However, this area ranked low in percentage growth as an origin region. This indicates a decline in growth rates from 1979's third quarter, and 1978's fourth quarter.

The largest rate of growth as an origin area was indicated by the Pacific/Far East region, up nearly 24 percent over last year. This is a continuation of the substantial increases posted in earlier quarters. The South American region was up more than 24 percent in foreign visitors as well, continuing the higher rates shown earlier this year.

The "Other" region (Africa, India and Pakistan) showed a markedly lower rate of growth than during 1978's fourth quarter, but a slightly higher rate than the previous quarter.

Europe accounted for more than 42 percent of all U.S. visitors among overseas origin areas during the fourth quarter, down somewhat from earlier periods. The Pacific/Far East, Caribbean/Central America and South America were the only three areas to indicate improvements in market share in 1979's fourth quarter over the previous year.

The number of foreign arrivals in the U.S. from Canada by all modes of transportation in the fourth quarter of 1979 was up 3.1 percent from the previous year's fourth quarter. This rise was considerably better than the 2.3 percent drop in 1978's fourth quarter. Recording 2.0 million arrivals in the fourth quarter, the number of arrivals from Canada rose 61 thousand in 1979, compared to a decline of 46 thousand in 1978.

The exchange of visitors with Canada became favorable during the fourth quarter, 1979, reversing earlier trends. During 1979's fourth quarter, Canadian inbound traffic outnumbered U.S. travelers to Canada by 374 thousand. Canadian travel to the U.S. rose at a faster rate than U.S. travel to our northern neighbor.

The growth in visitors from overseas areas continued to outrun U.S. travel abroad in 1979's fourth quarter. Duplicating the remarkable feat of the third quarter, the U.S. again hosted more visitors from abroad than it sent to these areas. The number of overseas visitors to the U.S. actually exceeded the number of U.S. trips abroad by 333 thousand. For the world at large, the U.S. continues to be a favored destination.

Table 9: Annual Change in Foreign Arrivals* in U.S. and Regional Shares, by Origin Area, Fourth Quarters, 1979, 1978 and 1977

Origin Area	Fourth Quarter Absolute and Percent Change in Foreign Arrivals in U.S.				Fourth Quarter Share of Total Foreign Arrivals in U.S.	
	Absolute Change 1979/1978	Percent Change 1979/1978	Absolute Change 1978/1977	Percent Change 1978/1977	1979	1978
Europe	132,784	18.3%	173,746	31.4%	42.1%	42.7%
Caribbean/ Central America[1]	67,839	20.5	42,125	14.6	19.5	19.4
Pacific/Far East[2]	93,926	23.8	58,879	17.6	23.9	23.1
South America	48,687	23.7	46,686	29.4	12.4	12.1
Middle East[3]	-4,744	-22.7	5,382	34.7	0.8	1.2
Other[4]	1,835	7.4	4,716	23.3	1.3	1.5
OVERALL	340,327	20.0%	331,534	24.2%	100.0%	100.0%
Canada**	61,372	3.1%	-46,460	-2.3%	-	-

[1]Includes Caribbean, Central America and Panama Republic; [2]Includes South Pacific, Far East and U.S. Trust Islands; [3]Includes Iran, Israel and United Arab Emirates; [4]Includes Africa, India and Pakistan.

*Does not include Mexico.

**Includes foreign arrivals by all modes of transportation.

Note: Details may not add to totals due to rounding.

Source: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

APPENDIX A

Details of Tables Included in Report

Table 1A: Dollar and Real Receipts of Travel Industry Sectors, Fourth Quarters, 1979, 1978 and 1977

Type of Business	Fourth Quarter, 1979		Fourth Quarter, 1978		Fourth Quarter, 1977	
	Real Receipts (millions)	Dollar Receipts (millions)	Real Receipts (millions)	Dollar Receipts (millions)	Real Receipts (millions)	Dollar Receipts (millions)
Air Transportation	$ 2,047.7	$ 4,765.0	$ 1,998.3	$ 3,784.7	$ 1,866.7	$ 3,477.6
Amtrak	34.2	78.6	34.1	66.1	31.9	60.0
Gasoline Service Stations	6,511.0	20,067.0	7,541.0	15,376.0	7,547.9	14,341.0
Eating and Drinking Places	7,705.6	19,372.0	7,799.1	17,626.0	7,792.1	16,005.0
Lodging	2,129.9	5,459.0	2,155.5	4,781.0	2,012.5	3,868.0
Amusements and Recreation Services	3,318.2	6,341.0	2,981.1	5,357.0	2,971.0	5,012.0
Overall	$21,746.6	$56,082.6	$22,509.1	$46,990.8	$22,222.1	$42,763.6
Gross National Product (billions)	$ 1,440.3	$ 2,456.9	$ 1,426.6	$ 2,235.2	$ 1,354.5	$ 1,958.1

Sources: U.S. Travel Data Center based on data from U.S. Census Bureau, Civil Aeronautics Board, National Railroad Passenger Corporation (Amtrak), and Bureau of Economic Analysis

Table 2A: Travel Price Index and Components*, Fourth Quarters, 1979, 1978 and 1977

TPI Component	Fourth Quarter, 1979			Fourth Quarter, 1978			Fourth Quarter, 1977		
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
Transportation									
Airline Fares	220.6	232.1	245.5	189.5	190.0	188.8	184.3	184.3	190.3
Intercity Bus Fares	276.0	279.8	282.2	243.7	244.0	243.3	232.2	232.2	232.6
Railroad Fares	221.1	231.0	236.3	195.1	193.1	192.8	186.1	186.4	190.8
Taxicab Fares	233.6	237.0	238.5	206.7	207.8	207.6	194.8	195.3	194.4
Gasoline	303.8	306.9	313.9	201.9	203.5	206.2	190.0	189.8	190.1
Lodging	254.2	256.2	258.4	220.3	221.9	223.3	192.0	192.3	192.2
Food Away From Home	249.6	251.3	253.4	224.6	225.9	227.4	204.6	205.4	206.2
Recreation Services	190.8	191.5	191.1	179.1	179.3	180.7	168.7	168.7	168.7
Incidentals	182.1	182.9	183.9	171.5	172.1	172.3	164.3	165.2	165.6
Travel Price Index	248.0	251.6	256.3	207.9	209.1	210.2	191.4	191.7	193.0
Consumer Price Index	225.4	227.5	229.9	200.9	202.0	202.9	184.5	185.4	186.1

*1967=100

Sources: U.S. Travel Data Center based on data from the U.S. Bureau of Labor Statistics

Table 3A: Travel Volume in Intercity Passenger-Miles, Fourth Quarters, 1979, 1978 and 1977

Mode	Fourth Quarter 1979 (millions)	Fourth Quarter 1978 (millions)	Fourth Quarter 1977 (millions)
Intercity Auto	294,708	303,354	286,790
Scheduled Air	47,232	44,659	38,871
Intercity Bus	3,680	3,490	3,530
Amtrak	944	1,062	938
Total	346,564	352,565	330,129

Sources: U.S. Travel Data Center based on data from the Federal Highway Administration, Civil Aeronautics Board, American Bus Association, and Amtrak

Table 4A: Petroleum Product Supplies, Fourth Quarters 1979, 1978 and 1977 (thousand bbl/day)

Type of Petroleum Product	Fourth Quarter 1979			Fourth Quarter 1978			Fourth Quarter 1977		
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
Total Refined Petroleum Products	18,124	18,219	18,557	18,417	19,156	19,944	17,824	18,437	20,052
Motor Gasoline	7,022	6,771	6,7021	7,448	7,503	7,451	7,130	7,191	7,375
Jet Fuel	1,050	1,070	1,071	1,067	1,107	1,046	1,016	1,035	1,091

Source: U.S. Travel Data Center based on data from the U.S. Department of Energy

Table 5A: Travel Industry Employment, Fourth Quarters, 1979, 1978 and 1977 (thousands)

Payroll Employment Sector	Fourth Quarter 1979			Fourth Quarter 1978			Fourth Quarter 1977		
	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
Air Transportation	432.1	434.1	436.9	406.9	411.6	418.5	390.7	392.6	395.7
Intercity Highway Passenger Transportation	37.6	37.5	38.3	35.6	35.4	36.0	36.1	35.2	35.3
Gasoline Service Stations	572.3	572.1	571.4	632.1	631.4	631.9	630.8	629.6	625.5
Eating and Drinking Places	4,610.6	4,579.5	4,581.8	4,348.3	4,319.5	4,319.7	4,059.5	4,040.4	4,044.5
Lodging	1,002.2	972.1	952.1	928.2	904.9	899.0	917.7	892.2	880.4
Amusement and Recreation Services	689.7	652.8	651.5	710.0	683.3	667.6	658.3	622.4	617.7
Overall	7,344.5	7,248.1	7,232.0	7,061.1	6,986.1	6,972.7	6,693.1	6,612.4	6,519.1
Total U.S. Nonagricultural Employment	90,678.0	90,902.0	91,009.0	88,100.0	88,[illegible]2.0	88,893.0	84,211.0	84,645.0	84,868.0

Source: U.S. Travel Data Center based on data from the U.S. Department of Labor

Table 6A: U.S. Citizen Departures to Overseas Countries*, Fourth Quarters, 1979, 1978 and 1977

Destination Area	Fourth Quarter 1979	Fourth Quarter 1978	Fourth Quarter 1977
Europe	693,392	691,502	650,250
Caribbean/Central America[1]	592,319	555,051	491,122
Pacific/Far East[2]	241,536	204,214	182,120
South America	122,348	119,679	102,814
Middle East[3]	28,793	34,308	35,784
Other[4]	32,179	35,573	25,647
Total	1,710,567	1,640,327	1,487,737
Canada**	1,648,303	1,617,050	1,593,779

[1]Includes Caribbean, Central America and Panama Republic; [2]Includes South Pacific, Far East and U.S. Truse Islands; [3]Includes Iran, Israel and United Arab Emirates; [4]Includes Africa, India and Pakistan.

*Does not include Mexico.

**Includes U.S. departures by all modes of transportation.

Sources: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.

Table 7A: Foreign Arrivals* in the U.S., Fourth Quarters, 1979, 1978 and 1977

Origin Area	Fourth Quarter 1979	Fourth Quarter 1978	Fourth Quarter 1977
Europe	859,512	726,728	552,982
Caribbean/Central America[1]	399,053	331,214	289,089
Pacific/Far East[2]	487,916	393,990	335,111
South America	254,097	205,410	158,724
Middle East[3]	16,136	20,880	15,498
Other[4]	26,767	24,932	20,216
Total	2,043,481	1,703,154	1,371,620
Canada**	2,021,856	1,960,484	2,006,944

[1]Includes Caribbean, Central America and Panama Republic; [2]Includes South Pacific, Far East and U.S. Trust Islands; [3]Includes Iran, Israel and United Arab Emirates; [4]Includes Africa, India and Pakistan.

*Does not include Mexico.

**Includes foreign arrivals by all modes of transportation.

Sources: U.S. Travel Data Center based on data from the Nettleton Travel Research Center, Inc.